

# Annual Report 2002 of the Environmental Finance Center Network

Environmental Finance Center Network

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## EFC at Cleveland State University

### Cleveland State University is the EFC for the Great Lakes Region

The Great Lakes Environmental Finance Center (GLEFC), in Region 5, was established to help communities and states in the Great Lakes states of Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin build innovative, cost effective, and high quality strategies for environmental improvement and sustainable economic development. Located at the Maxine Goodman Levin College of Urban Affairs at Cleveland State University, the GLEFC draws upon the staff experts and faculty of the College's 12 research centers, in the fields of economic development, environmental planning, geology, public administration, and public management and finance.

The GLEFC provide services to public, private, and not-for-profit clients in five principal areas: Brownfields Technical Assistance, Finance and Policy Technical Assistance, Program Development and Evaluation, Brownfields

Seminars/Workshops, and Finance and Policy Seminars/Workshops.

The GLEFC provides services by bringing its internal capacity and, when needed, that of others to meet the informational, managerial, financial, and technical needs of Region 5 communities. The GLEFC utilizes many tools and techniques to assist clients including, financial and budget analysis, market analysis, best practice reviews, seminars, focus groups and community visioning/strategic planning processes, and environmental planning.



### ACCOMPLISHMENTS

In 2002, the GLEFC portfolio of projects included new projects, ongoing projects that are partnerships that will continue indefinitely, and the second and third phases of externally funded projects. The GLEFC provided technical assistance, applied research, seminars, training, counsel, and testimony to local, state, federal; and not-for-profit organizations and clients throughout

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U.S. EPA Region 5. GLEFC continues to provide support to the Federal Executive Board of Northeast Ohio in facilitating an intergovernmental (federal, state, and local) collaboration on brownfield finance and redevelopment. The GLEFC is working with the U.S. EPA's Region 5 Brownfields Office to assist in initiating regional brownfield collaboration. The GLEFC is also working on externally funded, multi-stage, and multi-client projects with the Ohio Department of Natural Resources Ohio Department of Development, the Ohio Environmental Protection Agency (OEPA) on new environmental public policy initiatives.

The GLEFC enhanced its faculty "Fellow" program by appointing Michael Tevesz, Ph.D., a geologist to join Wendy Kellogg, Ph.D., an environmental planner, to assist the Center in assembling a multi-disciplinary approach to its annual work plan and projects. Dr. Tevesz provided the GLEFC with a broader skill set that allows greater assistance to local communities. In addition, the Fellows have assisted the GLEFC in providing technical assistance and applied research projects as well as composing journal articles detailing the impact of the Center's projects on their clients. The addition of the Fellows has increased the internal capacity of the GLEFC to assist clients throughout Region 5.

The GLEFC year 2002 program included:

#### **BROWNFIELDS TECHNICAL ASSISTANCE**

##### **Brownfields One-Stop-Shop (BOSS) Forum Initiative**

The BOSS Initiative is a partnership between the Federal Executive Board of Northern Ohio and the GLEFC, charged with facilitating intergovernmental collaboration for brownfield redevelopment in Ohio. The principal BOSS

partners include the U.S. EPA Region 5, U.S. Department of Housing and Urban Development, and the GLEFC.

Initiated in 2000, the BOSS Forum is an ongoing program of the GLEFC. The Forum convenes quarterly bringing together federal, state, and local government economic development and environmental officials, commercial and investment bankers, insurance executives, foundation officials, and developers to review brownfield redevelopment projects seeking financial and programmatic support. Each BOSS Forum allows brownfield developers (public, private, not-for-profit) to present 3-5 brownfield redevelopment project concepts to the Forum body for their review, comments and participation.

During the first year of the BOSS Initiative, the GLEFC developed a strategic plan for the BOSS, to determine the market need and geographic area of concentration. Three BOSS Forum sessions were conducted.

In 2002, the GLEFC conducted a three-stage program:

- Implemented the BOSS Forum strategic plan, *Structure of the Brownfields One-Stop Initiative: A Test Strategy for Inter-Agency Cooperation in Northeast Ohio*;
- Conducting three meetings with nine redevelopment projects before the partners: projects from greater Cleveland, Akron, Youngstown, Canton, Toledo, and Dayton; and
- Broadened the BOSS program geography, from (17 counties) Cleveland metropolitan area to northern Ohio, including the 35 northern counties to take advantage of economies of scale in brownfields program needs.

**Indiana Brownfield Task Force**

The GLEFC worked with the U.S. EPA Region 5 Brownfields staff to assist the Indiana Brownfield Task Force, a program of the Indiana Department of Environmental Management (IDEM) to create a “Brownfield One-Stop Shop” type approach to building partnerships to assist in the remediation of brownfield properties. The GLEFC has assisted IDEM in the development of strategy and program structure.

**FINANCE AND POLICY TECHNICAL ASSISTANCE**

Finance Transition Team: Mayor Jane Campbell, Cleveland, Ohio

The GLEFC developed an analysis of the five-year Capital Improvement Needs of the City of Cleveland’s Water Treatment Capacity for the newly-elected administration. The report detailed the capital investment history and projected capital needs of Cleveland’s three water treatment plants serving the metropolitan northeast Ohio area. The report served to guide the development of the new administration’s capital budget.

**Sustainable Infrastructure Finance**

The GLEFC partnered with the Brookings Institution to assess the level of equitable distribution of gas tax revenues to Ohio local governments and the implications on the sustainability of the transportation systems of Ohio’s metropolitan areas. The resultant report, *Slanted Pavement: How Ohio’s Transportation Spending Short Changes Cities and Suburbs*, was published by the Center for Urban and Metropolitan Policy, The Brookings Institution (December 2002). The GLEFC testified before the

Ohio Senate Transportation Committee on the findings of the report.

**Infrastructure Investment, Land Use and Zoning in a Sustainable Region.**

The GLEFC is partnering with Youngstown State University, the University of Akron, and Kent State University to develop a shared vision between the leadership of metropolitan planning organizations (MPO’s) and regional business organizations (RBO’s) on land-use/zoning and transportation planning for the 17-county northeast Ohio region.

**PROGRAM DEVELOPMENT AND EVALUATION****Clean Ohio Council**

The GLEFC has been engaged by the Ohio Department of Development and the Ohio Environmental Protection Agency to help develop a program structure and the grant disbursement decision rules for the Clean Ohio brownfield redevelopment grant program.

In 2002, the GLEFC finalized its recommendations to the Clean Ohio Council on the decision rules to guide the grant process and project selection.

In addition, the GLEFC initiated an evaluation of the first year of operation of the Clean Ohio brownfield grant program. The GLEFC conducted a series of four mail, phone, and web based surveys of to determine the perceptions of the efficiency and effectiveness of the implementation of the Clean Ohio Revitalization (Grant) Fund.

The GLEFC presented, to the members of the Clean Ohio Council/Ohio Department of Development, the results of the review of decision rules/project selection criteria for disbursing the \$40 million annual grant program.

Coastal Resources Management Training Market Analysis, Ohio Department of Natural Resources, Old Woman Creek National Estuarine Research Reserve, and the Ohio Sea Grant College Program: Phase I

The GLEFC competed for and conducted a multi-stage program development project for the ODNR, Old Woman Creek NERRs, and Ohio Sea Grant. The overall project is to assess the market for facilitating a strategy for a Coastal Resources Management Training Program for the Lake Erie Basin. The first phase of the project was bid in 2001 and completed in 2002. The second phase was bid and completed in 2002.

The GLEFC conducted a market analysis (Phase 1) for the Ohio Department of Natural Resources Office of Coastal Management, the Old Woman Creek National Estuarine Research Reserve, and the Ohio Sea Grant College Program to guide them in developing a comprehensive coastal resources management training program for the state of Ohio. This initiative is part of a national undertaking coordinated by the National Oceanic and Atmospheric Administration (NOAA) to develop coastal training programs throughout its 26 National Estuarine Research Reserves.

Training providers in the Ohio Lake Erie basin were surveyed to generate information on the area's coastal training and education market. The findings of the survey were based on a 75 percent response rate from those surveyed, or 142 out of 190 total respondents. A total of 50 respondents were identified as providers of coastal resources management training in Ohio. These providers conducted more than 100 coastal-related courses within a one-year period.

Among the findings of the survey:

- Training topics most frequently covered in courses are surface water quality and non-point

source pollution, water quantity and quality, conservation and preservation, riparian corridors, invasive species and biodiversity, and habitat restoration

- Courses are usually offered at no cost to participants.
- Target audiences are mostly elected officials and candidates.
- Primary disparities in coastal resources management training courses lie in instructional quality and the types of training provided.

Coastal Resources Management Training Needs Assessment: Ohio Department of Natural Resources, Old Woman Creek National Estuarine Research Reserve, and the Ohio Sea Grant College Program: Phase II

The GLEFC conducted a Coastal Resources Management Training Needs Assessment, (phase 2 of the contract) to identify and assess coastal resources management training needs in northern Ohio. The GLEFC was again engaged by the Old Woman Creek National Estuarine Research Reserve (OWC) and its partners, the Ohio Department of Natural Resources Office of Coastal Management and the Ohio Sea Grant College Program (OSG).

Coastal decision-makers and training providers in the Ohio Lake Erie basin participated in seven focus groups during October-November 2002 to generate information on coastal resources knowledge and training needs. Six of the focus groups were comprised of a cross-section of professionals who make decisions affecting watershed areas or Lake Erie coastal areas (non-providers of training); the seventh was comprised of training providers. Discussions within the seven focus groups centered on responses to questions concerning core knowledge needs and training needs. Core knowledge included topics focused on

desired training content and information desired to improve work performance. The discussions concerning training needs included types of training, quality of the training environment, and the structure of training.

Collectively, the focus group discussions resulted in an assessment of coastal resources management training needs across the Ohio Great Lakes basin. The key findings or outcomes from the focus group sessions are:

- The desire for better organized, territorially-targeted training programs integrating knowledge across topics.
- The desire to understand the economic aspects of coastal and watershed protection.
- The desire for formal training in specific areas (topical areas).
- The desire for a central information clearinghouse to better organize, disseminate and coordinate information and resources.
- The desire to educate the general public on coastal and environmental issues.
- The desire for non-lengthy training sessions.
- The desire for well-designed training programs with specific outcomes.
- The desire that training programs deliver what is marketed or advertised.
- The desire for use of a term other than “coastal” when describing training programs.
- The desire for training programs to be conducted “closer to home”.
- The desire for trainers/speakers/presenters who are experienced, effective and engaging.

The GLEFC composed an article, *Coastal Resources Management Training Needs in Ohio's Lake Erie Basin* for publication in an academic journal, the Coastal Management Journal, based on our work with the ODNR, Old Woman Creek, and Ohio Sea Grant. The article identifies the market need for training for public officials on the environmental management needs of the Lake Erie Basin.

#### National Oceanographic and Atmospheric Administration (NOAA) National Estuarine Research Reserve Coastal Resources Management Strategy Development Training

The GLEFC assisted NOAA in conducting a training session in Charleston, S.C. for its National Estuarine Research Reserves (NERRs) in developing strategies for conducting market analysis, needs assessments, and developing strategic plans for each of the 25 NERRs throughout the country.

#### BROWNFIELDS SEMINARS/WORKSHOPS

##### Ohio EPA Voluntary Action Program (VAP) Training for Certified Professionals

The GLEFC participated in the program of two Ohio EPA's training sessions for certified professionals (environmental engineers). The training sessions are presented twice annually to outline changes in the process for compliance with VAP (brownfield redevelopment) standards and to present innovation/best practices in brownfield redevelopment in Region 5. The GLEFC presented the best practices and innovation in financing brownfield redevelopment.

##### Ohio Brownfield Finance Partnership

The GLEFC is a partner in the state-wide discussion group convened by the Ohio Water Development Authority between private developers, and bankers to discuss the opportunities in the finance and redevelopment of brownfields. The GLEFC represents the projects brought before the BOSS Forum, in seeking the experience of brownfield projects in the state of Ohio.

## FINANCE AND POLICY SEMINARS AND WORKSHOPS

### U.S. EPA Regions 1, 2, 3, and 5 Capacity Development Workshop, Chicago, Illinois

The GLEFC facilitated a session on “How to Promote Financial Capacity” and “How Do We Measure Improvement for Participants from States, EPA, Technical Assistance Providers, and others.” The session addressed the requirements of GASB 34 and the impact the management of drinking water systems.

### U.S. EPA Environmental Finance Advisory Board Seminar on the Government Accounting Standards Board Statement (GASB) No. 34 Infrastructure Reporting Requirements at the National Press Club

The GLEFC participated in a subcommittee of the EFAB to plan and present a seminar on the infrastructure reporting aspects of the GASB No. 34 accounting requirements for governments. The seminar focused on the “modified” reporting alternative of GASB 34, the asset management reporting system. The GLEFC participated in the Financial Services Industry Panel to discuss the role of GASB 34 in increasing the capacity of local governments in managing infrastructure assets: *Increasing the Useful Life of Infrastructure Through An “Asset Management” Approach to GASB 34 Compliance*.

### U.S. EPA Region 5 Midwest Natural Resources Group, Senior Leaders Meeting, Cuyahoga Valley National Park, Ohio

The GLEFC gave a presentation on *Increasing Investment in Water Treatment Infrastructure and Increasing Cuyahoga River Water Quality*.

## CapFinance Training

The GLEFC participated in training session at Boise State University for small and medium sized local governments in Idaho and Oregon on the capital planning and financing software package developed by the Boise State EFC. The GLEFC provided a presentation on *GLEFC Asset Management and GASB 34 Compliance or How Does CAPFinance Assist Your City in Managing Infrastructure*.

## NEW INITIATIVES FOR 2003

The GLEFC will pursue both continuing and new initiatives in 2003, in the policy areas of brownfields and sustainable futures.

- The GLEFC will continue to assist the Clean Ohio Council with the retooling of the administrative process for the \$200 million Clean Ohio (brownfield) Remediation Fund grant program.
- The GLEFC is conducting a program evaluation of the State of Ohio’s Brownfield Revolving Loan Funds.
- The GLEFC will continue to convene Brownfield One Stop Shop (BOSS) Forum and to expand the program’s geography to both reach economies of scale on brownfield remediation and on the ongoing supply of fundable brownfield projects.
- The GLEFC will continue to work on brownfield related activities through the U.S. EPA, Region V office.
- The GLEFC will continue to participate in the Ohio Brownfields Finance Partnership with the Ohio Water Development Authority.

- The GLEFC will continue to work with the Ohio Department of Natural Resources, the Ohio Sea Grant Program, and the Old Woman Creek National Estuarine Research Reserve on the development of a Coastal Resources Management strategy and program for the Lake Erie Basin.
- The GLEFC will assist NOAA and its National Estuarine Research Reserves on strategic planning for Coastal Resources Management Training Needs for policy makers.
- The GLEFC will provide assistance to local governments through national, regional, and state-wide trade groups on the implementation of GASB Statement No. 34 Infrastructure asset reporting regulations.

## NETWORK COLLABORATION

### CAPFinance

The GLEFC will be collaborating with the Boise State University EFC to provide training to water utilities on the use of CAPFinance, the capital asset management system for drinking water utilities.

The GLEFC will continue to work with the members of the Environmental Finance Center Network (EFCN) as collaborative projects emerge.

## PRESENTATIONS, CONFERENCES AND MEETINGS

The GLEFC will continue to make presentations in national, state-wide, regional, and local professional/industry trade groups and organizations on environmental finance-related topics. The organizations include the Council of Infrastructure Finance Authorities, Government Finance Officers Association, National League of

Cities, Municipal Leagues, national brownfields conferences, Build Up Greater Cleveland, the Federal Reserve Bank of Cleveland, and U.S. EPA Region 5.

The topics will continue to range from local government compliance with GASB Statement No. 34 infrastructure asset reporting regulations to brownfield management efficiencies.

## RESULTS

The Great Lakes Environmental Finance Center continues to provide assistance to state agencies and local communities and not-for-profit organizations on environmental compliance and sustainable strategies. The continued growth in the annual GLEFC program and the expanding partnerships with national, state, and local entities provides evidence of the impact of the organization.